

# Changes to CDEP under DEWR: Policy substance and the new contractualism

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## INTRODUCTION

The Community Development Employment Projects (CDEP) scheme is an Indigenous 'workfare' program which has existed since 1977. In 2004, with the abolition of the Aboriginal and Torres Strait Islander Commission (ATSIC), CDEP became a responsibility of the Commonwealth Department of Employment and Workplace Relations (DEWR). Since early 2005, DEWR has been engaged in a reform process which has led to some significant changes to CDEP. This article looks at those changes under two headings; policy substance and the new contractualism. It begins with a little more history.

## HISTORY

CDEP began at a time when Indigenous people in remote areas were for the first time qualifying in significant numbers for unemployment benefits within the social security system. Previously Indigenous people in these areas had been kept off these payments by treating them as outside the workforce. But amid charges of discrimination within the social security system, eligibility for unemployment payments in remote areas among Indigenous people was spreading during the early 1970s. Concern was expressed at this time, by both Indigenous and other players, that a very large proportion of Indigenous people of workforce age in remote areas could end up on unemployment benefits and so an alternative was sought. The result was a program run by the Commonwealth Department of Aboriginal Affairs in which grants were made to Indigenous community organizations to provide part-time employment to community members. The amount of grants was roughly equivalent to the unemployment benefits that would otherwise be paid to community members, plus a small loading for on-costs. Community members were expected to work about sixteen hours per week to earn the equivalent of their unemployment benefit payments.

The CDEP scheme proved very popular with Indigenous communities and their organizations and was under constant pressure to expand beyond its early pilot phase. This it did from 1983, first to other remote communities and, from 1987, into urban and regional areas in more densely settled southern Australia. By the time ATSIC was established and took over the program in 1990, CDEP was a major nationwide program with 20,000 participants.

This expansion of CDEP into southern, more densely settled areas raised some new issues. In 1997, an external review pushed CDEP towards a greater emphasis on employment outcomes outside the scheme. DEWR has further developed that policy emphasis in its reform of CDEP since 2004.

## POLICY SUBSTANCE

DEWR began its reform of CDEP with a Discussion Paper in February 2005 entitled *Building on Success*. In April 2005, after consultations, DEWR confirmed that CDEP would continue with a 'mix of activities' between 'employment, community activities and business development', but with a 'stronger emphasis on results', a 'new funding model' and 'better links with other government programs like Job Network' (*Building on Success: CDEP- Future Directions*). Minister Andrews wanted CDEP participants to be 'assured' that the program 'provides a stepping stone to non-CDEP jobs, even in the more remote communities' (Media Release, 10 May 2005). Ten months later in March 2006 Minister Andrews announced some more specific changes as follows:

- new participants in CDEP 20 years and under would be paid a youth rate, rather than the general rate,
- CDEP participants in urban and regional areas would be required to register with a Job Network Member, and
- new CDEP participants in urban and regional areas would be limited to 12 months on the scheme, rather than an unlimited time as in the past (Media Release, 29 March 2006).

In November 2006 DEWR released a second Discussion Paper on CDEP entitled *Indigenous Potential meets Economic Opportunity*. This proposed that around 7,000 participant places in 40 CDEP organizations would disappear from 30 June 2007; out of national totals of 35,000 participants in 210 CDEP organizations. These proposed closures of CDEP were all in urban and regional centres with 'strong labour markets'. These participants and organisations would instead be offered opportunities to participate in general DEWR programs and an expansion of the Indigenous-specific Structured Training and Employment Projects (STEP) 'brokerage service'. STEP, the Discussion Paper explained, focuses 'on meeting employer demand through tailored assistance to employ Indigenous job seekers' (p7).

The consultation following this Discussion Paper aroused some adverse responses, but also some indications of a willingness for change. In February 2007 new Minister Hockey announced that the proposed changes would proceed. He said:

While CDEP has played an important role in many communities, it has resulted in some people living off welfare for years. Our only success measure should be if we get someone into a real job—not a position funded by welfare.

Hence the policy changes to CDEP under DEWR have been very significant. DEWR is about to disband the scheme altogether in urban and regional areas with strong labour markets, in the name of encouraging people into unsubsidized jobs. As a consequence we will perhaps now see the CDEP scheme heading back to its remote area origins.

## THE NEW CONTRACTUALISM

These substantive policy reforms are only part of the changes to CDEP under DEWR. Perhaps as important is the introduction of a new contested contract model of service provider selection. Early in 2006 DEWR called for applications to run CDEP in 2006/07. Two hundred and sixty four were received and in July Minister Andrews announced that 212 were offered funding. Of the 211 which accepted, 23 were newly funded while 33 previously funded CDEP organizations were no longer on the list.

This new contested contract model of service provider selection and funding is very different from the earlier ATSIC and DAA models. In retrospect, their's were loyalty models, in which particular Indigenous organizations were funded and supported over extended periods of time because of their identification

and links with the community being served. DEWR's model, by contrast, values delivery of specified contract outcomes in shorter periods of time. This was reinforced in January 2007 when Minister Andrews announced that '22 CDEP service providers' who had 'demonstrated outstanding achievement in achieving jobs for their participants, embracing changes to the programme and increasing linkages with Job Network and employers' would be 'offered an additional 12 months funding'. At the other end of the performance scale were 40 organisations which were being 'given the chance to improve performance and governance' ( Media Release, 3 January 2007). Subsequently 34 of these were given six month contracts until the end of the financial year, while 5 had their contracts lapse and one was terminated.

These moves towards a new competitive contractualism in the way 'service providers' are selected and funded may yet prove to be more important changes for CDEP than any substantive policy measures. No longer can any CDEP organization assume that it will be securely funded on an ongoing basis. This is very different from the last 30 years.